

SECONDARY EQUIPMENT PROCEDURES

The following information explains the procedures governing equipment purchased in whole or in part with funds provided by the State Division of Professional-Technical Education (SDPTE).

The local education agency (LEA) is required to maintain a local inventory of such equipment. The local education agency is also responsible for maintaining the equipment and exercising reasonable care and safekeeping of this equipment.

When equipment is acquired by a consortium, wholly or in part with funds provided by the SDPTE, title shall be vested in the consortium fiscal agent and maintained on inventory until disposed of in accordance with state and/or federal regulations governing such properties by SDPTE.

APPROVAL MUST BE GIVEN BY THE STATE DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION PRIOR TO ANY DIVERSION, SALE, OR TRADE-IN OF EQUIPMENT PURCHASED WITH FUNDS PROVIDED IN WHOLE OR IN PART BY THE SDPTE.

I. DEFINITIONS

- (a) "Acquisition cost" of an item of purchased equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was acquired.
- (b) "Amount received for trade-in" of an item of equipment traded in for replacement equipment means the amount that would have been paid for the replacement equipment without a trade-in minus the amount paid with the trade-in. The term refers to the actual difference, not necessarily the trade-in value shown on an invoice.
- (c) "Equipment" means tangible personal property having a useful life of more than one year and an acquisition cost of \$300 or more per unit.
NOTE: Computer software is considered to be supplies.
- (d) "Local education agency" (LEA) means a local school board or a State corrections educational agency.
- (e) "Personal property" means property of any kind except real property. It may be tangible-having physical existence, or intangible-having no physical existence, such as patents, inventions, and copyrights.
- (f) "Replacement equipment" means property acquired to take the place of other equipment. To qualify as replacement equipment, it must serve the same function as the equipment replaced and must be of the same nature or character, although not necessarily the same model, grade, or quality.
- (g) SDPTE - Idaho State Division of Professional-Technical Education
- (h) Special or Ancillary Services - Projects or programs which are supportive to Professional-Technical Education (Research, Guidance, Personnel Development and Curriculum Development).
- (i) "Supplies" means all tangible personal property other than equipment
NOTE: Computer software is considered to be supplies.

II. TITLE

When equipment is acquired by an LEA, wholly or in part with funds provided by the SDPTE, title shall be vested in the LEA and maintained on inventory until disposed of in accordance with state and/or federal regulations governing such properties by SDPTE.

When equipment is acquired by a consortium, wholly or in part with funds provided by the SDPTE, title shall be vested in the consortium fiscal agent and maintained on inventory until disposed of in accordance with state and/or federal regulations governing such properties by SDPTE.

III. REQUESTING EQUIPMENT FROM SDPTE

In order to purchase equipment and receive reimbursement from the SDPTE, the LEA/Consortium must secure prior approval (**Approval of the Federal Application or FORM 10-F Budget Request constitutes prior approval**). Only the specific number and kind of approved items in the Federal Application or FORM 10-F may be purchased unless an amendment has been approved by the appropriate state program manager. Approval of an amendment must be in writing before a purchase is made.

AMENDMENTS -- Changes may be expected because of price increases, recommendations by advisory committees, obsolescence, or other reasons. All amendments for purchase of equipment should be requested prior to February 15.

IV. ACTUAL EQUIPMENT PURCHASE

- (a) The LEA/Consortium Fiscal Agent is responsible for purchasing equipment approved by the SDPTE for use in Professional-Technical programs. All local and state laws, regulations and procedures must be followed in the purchase of equipment. (For example, if local regulations require formal bids, then formal bids must be obtained.) After an LEA/Consortium Fiscal Agent has been notified that equipment has been approved for purchase, such equipment must be purchased or a signed purchase order shall be executed by April 1 of the current fiscal year. If invoices for equipment purchased are not received and payment made by the LEA/Consortium Fiscal Agent prior to June 1 of the current fiscal year, reimbursement may be disallowed and the equipment request may become null and void.
- (b) All equipment purchased by LEAs/Consortia with funds provided by the SDPTE must meet all federal and state Occupational Safety and Health Administration rules and regulations. LEAs/Consortia should require a statement of safety compliance of rules and regulations from vendors before purchase is made.

V. SUBMITTING CLAIM TO SDPTE FOR EQUIPMENT PURCHASED

The State Division of Professional-Technical Education Inventory Record Form #25 must be submitted with the CS7/10R Form to substantiate reimbursement claims that include equipment meeting the definition identified in Section I-C. Put only items for one program/project on each Form #25. A paid invoice must be on file at the LEA/Consortium Fiscal Agent and retained for compliance with state and federal regulations.

VI. USE OF EQUIPMENT PURCHASED WITH FUNDS PROVIDED BY THE SDPTE

The LEA/Consortium shall retain and use all equipment in an approved Professional-Technical program as long as there is a need for the purpose intended for such equipment. Equipment must be used in an approved professional-technical program or for special professional-technical projects and/or ancillary services.

Equipment purchased with funds provided in whole or in part by the Idaho State Division of Professional-Technical Education, when not being used to carry out the purposes for which it was purchased or other

professional-technical education purposes may be used for other instructional purposes if: (a) the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity; and (b) the other use of the equipment is after regular school hours or on weekends.

The use of the equipment purchased with funds provided in whole or in part by the Idaho State Division of Professional-Technical Education when not being used to carry out the purposes for which it was intended must: (a) be incidental to the use of that equipment for the purposes for which it was purchased; (b) not interfere with the use of that equipment for the purposes for which it was purchased; and (c) not add to the cost of using that equipment for the purposes for which it was purchased.

VII. MAINTENANCE OF EQUIPMENT

Adequate maintenance procedures shall be implemented by the LEA/Consortium to keep the equipment in good working condition and repair. **The cost of such maintenance is borne by the LEA/Consortium.**

VIII. INVENTORY CONTROL SYSTEMS TO BE MAINTAINED

Procedures for managing equipment (including replacement equipment) until transfer, replacement, or disposition takes place shall, at a minimum, meet the following requirements:

- (a) Property records shall be maintained accurately. For each item of equipment, the records shall include:
 - (1) A description of the equipment, including manufacturer's model number, if any.
 - (2) An identification number, such as the manufacturer's serial number.
 - (3) Identification of the grant under which the recipient acquired the equipment.
 - (4) The information needed to calculate the Federal share of the equipment.
 - (5) Acquisition date and unit acquisition cost.
 - (6) Location, use and condition of the equipment, and the date the information it was reported.
 - (7) All pertinent information on the ultimate transfer, replacement, or disposition of the equipment.
- (b) A physical inventory of equipment shall be taken and the results reconciled with the property records at least once every 2 years to verify the existence, current utilization, and continued need for the equipment. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the differences.
- (c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented by local police or law enforcement officials.
The LEA/Consortium Fiscal Agent shall be responsible for replacing or repairing equipment which is lost, damaged, stolen, or destroyed.
- (d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.
- (e) Where equipment is to be sold and the Federal Government is to have a right to part or all of the proceeds, selling procedures shall be established which will provide for competition to the extent practicable and result in the highest possible return. (*Section 74.140, EDGAR*)

IX. DISPOSITION OR DIVERSION OF EQUIPMENT WHEN NO LONGER NEEDED IN A PROFESSIONAL-TECHNICAL PROGRAM OR CONSORTIUM

- (a) In the event the membership of a consortium changes, or if a consortium is dissolved, equipment purchased with SDPTE funds by the consortium will revert to the State Division of Professional-Technical Education. Districts that disengage themselves from a consortium may be allowed to retain equipment purchased if the projects (or programs) are maintained. If no appropriate projects/programs are maintained the Division will transfer the equipment to other appropriate projects/programs based on need.
- (b) When there is no longer a need for such equipment to accomplish the purpose of the program or if the equipment becomes worn out or obsolete, the LEA/Consortium Fiscal Agent shall notify the SDPTE of this fact and request disposition instructions and specific policies governing the particular piece of equipment (Prof-Tech Ed Form #23a). NO EQUIPMENT IS TO BE DIVERTED, SOLD, OR TRADED WITHOUT WRITTEN PERMISSION FROM THE SDPTE. The SDPTE will determine the disposition of all equipment purchased with funds provided by the SDPTE.
- (c) Sale. The SDPTE may or may not require that money be refunded for its share of the proceeds of the sale of equipment. If a refund is required, it shall be at a rate of the original cost to the LEA/Consortium less the depreciation (see Item XI(e)).
- (d) Trade-In. The value of equipment traded will be subtracted from the cost of the new equipment purchased. The SDPTE will calculate the amount of reimbursement on the net cost to the LEA/Consortium. The inventory value of the new equipment will be the trade-in value plus the LEA/Consortium's cost plus the SDPTE share and equal to the purchase price with no "trade-in". The following example demonstrates this method:

New equipment cost	\$900
Trade-in value of equipment traded	<u>-200</u>
Net cost	\$700

Inventory value of new equipment equals:	
Trade-in value	\$200
SDPTE reimbursement	+329
LEA cost	<u>+371</u>
Inventory value	\$900

1. All furniture, fixtures, desks, chairs, or similar equipment shall be based on a straight line depreciation method of 20 years or five percent per year with no estimated salvage value.
2. All instructional machines such as power driven saws, grinders, drill presses, all types of welders, washing machines, refrigerators or other equipment which may fall into this grouping, shall be based on a straight line depreciation method of 10 years or 10 percent per year with no estimated salvage value.
3. All computers, computer hardware, and computerized equipment such as monitors, printers, CAD, CAM, automotive diagnostics, etc. shall be based on a straight line depreciation method of three years or 33 percent per year with no estimated salvage value. (Equipment can be used beyond the three year period if still serviceable.)
4. In determining the fair market value of equipment, the SDPTE shall have the prerogative to determine the specific category and the depreciated value of the equipment to be disposed of.

X. TERMINATION OF PROGRAM

- (a) When a professional-technical program is terminated or temporarily discontinued the SDPTE will determine the time and method of disposition of the equipment.

When written notification provides reasonable assurance that a professional-technical program will be re-instated the school year following a program termination, a maximum period of one year may be allowed before disposition of equipment is undertaken.

- (b) The SDPTE will determine the method of depreciation and amount due the federal or state government and notify the local district/Consortium Fiscal Agent accordingly. The value of such equipment will be determined on the basis of the sale price in case of a bona fide sale or the fair market value in the case of discontinuance of use, or diversion for other than professional-technical education purposes.
- (c) The actual disposition of the equipment may be accomplished by either of the following methods:
 - 1. The LEA/Consortium Fiscal Agent shall return a cash refund to the SDPTE
 - 2. The SDPTE shall credit the LEA/Consortium Fiscal Agent in the amount of its share at the time of disposition of equipment and transfer such equipment to another professional-technical program or location.
- (d) The SDPTE retains the option to transfer any or all equipment purchased solely with State and/or Federal funds.
- (e) The value of the equipment will be determined as of June 30 of the fiscal year when the professional-technical program ceased operation. The value of all equipment shall be either the cash value as determined by the supplier of the equipment or the estimated depreciated value based on the following policy, whichever is higher:

Notification/Request of Inventoried Professional-Technical Equipment

Notification (or Request) is hereby made to the State Division of Professional-Technical Education by
School District # _____, _____ that the following inventoried
(Name of School District)
Professional-Technical equipment issued to the _____ program at
(Name of Program)

(Name of School)

_____ Has been lost/stolen (include law enforcement notification or other explanation)
_____ Is no longer needed or being used by the recipient: _____ Poor condition _____ Out of date
_____ Is being used in another Professional-Technical program in the school
_____ Indicate which program: _____
(Name of Program/Program ID#)
_____ Has been transferred to another school: _____
(Name of School/Program ID#)
_____ A Transfer of Property Form has been completed and returned: _____ Yes _____ No
_____ Other: Please Explain: _____

IDENTIFICATION OF PROFESSIONAL-TECHNICAL EQUIPMENT: (May attach a separate page or Inventory List with notes)

PTE Inv. #	Item Description	Serial #	Purchase Date
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Authorized School Official (Signature) Date

Approved _____ Disapproved _____

Division Approval Date

Transfer of Property

I hereby acknowledge having received from the _____ program at
(Name of Professional-Technical Program)

_____, School District # _____ the inventoried Professional-Technical
(Name of School)

Education property listed below to be used officially in the _____ program at
(Name of Professional-Technical Program)

_____, School District # _____, and I hereby accept the responsibility for
(Name of School)

said property. This transfer is made at no charge to transferee to clear Professional-Technical Education inventory records.

Prof-Tech Ed Inv. #	Description of Property	Serial #'s	Purchase Date	Total Value

Signature of Transferor _____ Date _____ Signature of Transferee _____ Date _____

Approved _____ Disapproved _____

Division Approval Date